

**Report on Audit of
Telecommunications Services**

November 2001

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This report has cleared the Treasury Inspector General for Tax Administration disclosure review process and information determined to be restricted from public release has been redacted from this document.



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

INSPECTOR GENERAL
for TAX
ADMINISTRATION

November 5, 2001

MEMORANDUM FOR DAVID A. GRANT
DIRECTOR OF PROCUREMENT
INTERNAL REVENUE SERVICE

FROM: Pamela J. Gardiner
Deputy Inspector General for Audit

SUBJECT: Report on Audit of Telecommunications Services
(Audit #200210002.007)

As part of the Defense Contract Audit Agency's (DCAA) comprehensive audit of the contractor, the DCAA evaluated the contractor's current long distance and local telecommunications services. The purpose of the audit was to determine if cost savings could be achieved by the contractor, if discounted telecommunication rates negotiated with the General Services Administration (GSA) were used instead of the contractor's existing commercial telecommunications provider. The audit was conducted from May 2001 to August 2001 and covered the contractor's telecommunication operations for the fiscal year ending September 30, 2001.

The DCAA audit disclosed that using the discounted GSA Federal Technology Service (FTS) 2001 long distance telecommunication rates would result in annual cost savings. Specifically, the DCAA audit of the telecommunications system included a comparison of the contractor's current telecommunication service rates with comparable service rates provided by the GSA.

The information in this report should not be used for purposes other than that intended without prior consultation with the Treasury Inspector General for Tax Administration regarding its applicability.

If you have any questions, please contact me at (202) 622-6510 or Daniel R. Devlin, Assistant Inspector General for Audit (Headquarters Operations and Exempt Organizations Programs), at (202) 622-8500.

Attachment

NOTICE:

The Office of Inspector General for Tax Administration has no objection to the release of this report, at the discretion of the contracting officer, to duly authorized representatives of the contractor.

The contractor information contained in this report is proprietary information. The restrictions of 18 USC 1905 must be followed in releasing any information to the public.

This report may not be released without the approval of this office, except to an agency requesting the report for use in negotiating or administering a contract with the contractor.

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